



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

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REGULAR BOARD MEETING
September 26, 2007

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met in the Boardroom of the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington on September 26, 2007.

Board Members Present:

Kelly Fox, Chair
Jack Simington, Vice Chair
Greg Cuoio
Pat Hepler
Jeff Holy
Ryan Martin
Clint Olson
Glenn Olson
Senator Linda Evans Parlette
Representative Geoff Simpson

Staff Present:

Steve Nelsen, Executive Director
Shawn Merchant, Deputy Director
Jessica Burkhart, Executive Assistant
Jeralyn Faulhaber, Administrative Services Manager
Tim Valencia, Senior Research and Policy Manager
Greg Deam, Senior Research and Policy Manager
Linda Sullivan-Colglazier, Assistant Attorney General

Guests:

Matt Smith, State Actuary

Board Members Not Present:

Mark Johnston

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:44 a.m. The Board took a moment of silence to honor fire fighter and law enforcement officers who have died in the line of duty since the last time the Board met.

1) **August 22, 2007 Board Meeting Minutes**

It was moved that the August 22, 2007 Board meeting minutes be adopted as presented. Seconded.

MOTION CARRIED UNANIMOUSLY

2) **Board Elections**

Kelly Fox was appointed as Chair, Jack Simington was appointed as Vice Chair, and Glenn Olson was appointed to the serve on the Administrative Committee. Seconded.

MOTION CARRIED UNANIMOUSLY

3) **Actuarial Funding Methodology Overview – Matt Smith, State Actuary**

Matt Smith, State Actuary provided an overview on the *Actuarial Funding Methodology*. Mr. Smith discussed the aggregate funding method, the asset valuation method, and minimum contribution rates. He provided examples of the market value of assets, deferred gains and losses, and the preliminary actuarial value of assets. Mr. Smith also noted that all of the policies taken are consistent with the Board's strategic plan.

4) **Survivor Educational Benefits – Preliminary Report, Greg Deam**

Greg Deam, Senior Research and Policy Manger provided a Preliminary Report and presentation on the topic of *Survivor Educational Benefits*. Mr. Deam reviewed the key issues such as eligibility for the minor child and spouse. He provided the following three options for consideration:

1. Add Spouse to Existing Waiver Program
2. Prescribe Mandatory Coverage
3. Match Total Disability Definition

It was moved that the topic of Survivor Educational Benefits be deferred until the 2008 interim. Seconded.

MOTION CARRIED UNANIMOUSLY

5) **Administrative Update**

Select Committee on Pension Policy (SCPP) Update

Steve Nelsen, Executive Director updated the members on the latest meeting of the SCPP.

Pension Funding Council Update

Mr. Nelsen informed the Board concerning the latest undertakings of the PFC. The council has been working on the current assumptions, and since there is a statutory timeframe, the assumptions will be adopted within the next week. Staff will continue to coordinate efforts with the Pension Funding Council.

LEOFF Plan 2 Retirement Board State Audit Update

Mr. Nelsen reported that the audit will be complete by the November meeting with a written report at that time.

***The Board discussed the issue of health care for all beneficiaries of members who died in line of duty deaths.**

It was moved that the Board send a letter to the Director of the Department of Retirement Systems and the Public Employee Benefits Board to begin rulemaking on the topic of health care for all beneficiaries of members who died in line of duty deaths. Seconded.

MOTION CARRIED UNANIMOUSLY

It was moved that the topic of Health Care for Beneficiaries of Line of Duty Deaths move from Initial Consideration to the Final Proposal stage for hearing in December 2008.

MOTION CARRIED UNANIMOUSLY

6) Prohibition on Remarriage – Preliminary Report, Tim Valencia

Tim Valencia, Senior Research and Policy Manager provided a Preliminary report and presentation on the topic of *Prohibition on Remarriage*. Mr. Valencia reviewed the key issues such as the financial hardship it may cause the survivors and the Labor and Industries (L&I) process for policy development. He went on to provide three policy options for consideration:

1. Pursue joint legislation with L&I
2. Board request legislation
3. Prospective application to remarries survivors

It was moved that the Board move forward with policy option #1, pursue joint legislation with L&I. Seconded.

MOTION CARRIED UNANIMOUSLY

PUBLIC TESTIMONY

Renee Maher, widow of Officer Patrick Maher provided a testimony to the Board concerning her view on the prohibition on Remarriage. Ms. Maher believes that there should not be a penalty for surviving spouses that would like to remarry. She explained the pain and hardships that women go through because of the prohibition on remarriage. Ms. Maher requested that the legislation presented to the Board be supported.

Jolin Lowry, widow of Officer William Lowry also provided her testimony concerning the prohibition on remarriage. Ms. Lowry feels that surviving spouses should have the right to remarry without being penalized.

7) **Presumptive Duty Related Illnesses for Law Enforcement Officers – Preliminary Report, Tim Valencia**

Tim Valencia, Senior Research and Policy Manager presented a Preliminary Report and presentation on *Presumptive Duty Related Illnesses for Law Enforcement Officers*. Mr. Valencia reviewed the key issue that law officers do not have medical presumptions in the state of Washington. He also provided the scope of coverage for infectious disease, heart disease, and cancer. The following three policy options were brought forward:

1. Presumption for Infectious Disease
2. Presumption for Heart Problems
3. Presumption for Cancer

It was moved that staff find additional information on the topic of Duty Related Illnesses for Law Enforcement Officers and bring it back for hearing at the November meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

8) **Reduction Factors for Survivor Retirements – Initial Consideration, Greg Deam**

Greg Deam, Senior Research and Policy Manager provided an Initial Consideration on *Reduction Factors for Survivor Retirements*. He reviewed the current process of the same factor being used for all retirement types and also explained a peer comparison of benefits.

It was moved that Board move the topic of Reduction Factors for Survivor Retirements to the Preliminary Report stage and bring it back for consideration at an upcoming meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

9) **Agenda Items for Next Meeting**

The Board discussed topic for upcoming meetings and agreed to cancel the October 24, 2007 meeting.

It was moved the that October 24, 2007 Board meeting be canceled. The next meeting will be on November 28, 2007. Seconded.

MOTION CARRIED UNANIMOUSLY

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for November 28, 2007 from 9:30 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington 98502.

There being no further business, the meeting adjourned at 1:59 p.m.